Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	
Structure and Practices of the Video Relay Service Program	)	CG Docket No. 10-51

REPLY COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint") hereby files this brief reply to underscore two points that emerged from the comments submitted in response to the recent Public Notice regarding the compensation rates for various forms of telecommunications relay services ("TRS") proposed by Rolka Loube Associates LLC's ("Rolka Loube").[1] First, there is a virtual consensus in the record that the Federal Communications Commission ("Commission") should adopt the rate for Internet Protocol Captioned Telephone Service ("IP CTS") proposed by Rolka Loube using the Multistate Average Rate Structure ("MARS") methodology. Second, prior to making any change in the methodology used to calculate IP CTS compensation rates, the Commission needs to refresh the record in this proceeding and seek comment on specific alternative ratemaking approaches and their impact on IP CTS providers.

As Sprint explained in its comments, the MARS-based methodology is clearly superior to other ratemaking approaches discussed in the Rolka Loube report and, therefore, should continue

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[1] *Rolka Loube Associates Submits Payment Formulas and Funding Requirement for the Interstate Telecommunications Relay Services Fund for the 2017-2018 Fund Year*, CG Docket Nos. 03-123 and 10-51, Public Notice, DA 17-445 (rel. May 10, 2017) ("Public Notice").

to be used to set the 2017-18 compensation rate for IP CTS.[2] Two of the three other parties that commented on IP CTS rates concur with Sprint's position. Hamilton notes that the MARS approach "is far superior to a cost-based mechanism because it relies on competition, whereas all other pricing models used by the Commission for relay services attempt to replicate a competitive rate."[3] ClearCaptions similarly supports continued use of the MARS methodology because, *inter alia,* that approach is based on competitive bidding and has produced stable, predictable compensation rates for IP CTS over many years.[4] The only other party commenting on the IP CTS compensation rate, Sorenson, "does not dispute" the proposed 2017-18 rate calculated by Rolka Loube.[5] In short, the responses to the Commission's Public Notice demonstrably favor adoption of the MARS-based IP CTS rate proposed for the 2017-18 fund year.[6]

Moreover, no party suggested that the Commission may or should adopt an alternative methodology for setting the IP CTS compensation rate at this time. Rather, Sprint and the other commenting parties were unanimous in recommending that the Commission seek comment on any proposed alternative prior to taking action. For example, Hamilton notes that "[a]dditional proceedings are necessary before the Commission may decide to move forward with a new rate

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2 *See* Erratum Comments of Sprint Corporation, CG Docket No. 03-123, at 2-4 (May 25, 2017).

3 Comments of Hamilton Relay, Inc. at 5-6 ("Hamilton Comments"). Unless otherwise indicated, all comments cited herein were filed in CG Docket No. 03-123 on May 24, 2017.

4 Comments of ClearCaptions, LLC at 2-4 ("ClearCaptions Comments"); *see also id.* (further noting that a formula based on competitive bidding better approximates providers' reasonable costs and decreases the burden on Rolka Loube and Commission staff).

5 Comments of Sorenson Communications, LLC at 1 ("Sorenson Comments").

6 *See* Hamilton Comments at 12 ("The support in the record for MARS is now overwhelming. . . . In contrast, there is tepid support in the record for any alternative rate methodology to MARS for IP CTS, none of it detailed or fresh.").

methodology, if any, or to freeze the current MARS rate."[7] Similarly, ClearCaptions states that "the Commission lacks an adequate factual or policy-based basis for adopting any of the [Rolka Loube] suggested cost-based alternatives, particularly in the context of the Commission's prior cost-based rate adjustments which have driven providers out of the TRS market and reduced consumer choice."[8] In addition to seeking comment on the merits of the various rate-making alternatives discussed by the Rolka Loube report, Hamilton also suggests that the Commission assign to the agency's new Office of Economics and Data the task of evaluating the current MARS-based IP CTS methodology and the proposed alternatives, a step that Sprint would support to more fully develop the record in this proceeding.[9] Sorenson similarly outlines a series of issues that the Commission should consider as it "moves forward to consider alternative rate setting methodologies."[10] Thus, these parties share Sprint's view that it would be ill-advised for the Commission to undertake any departure from the MARS-based approach in setting IP CTS rates without developing an adequate record in a rulemaking proceeding.

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[7] *Id.* (further noting that, "[a]t the very least, the Commission must engage in traditional administrative notice and comment procedures to allow a robust assessment of any proposed rate methodology, and to consider other alternatives").

[8] ClearCaptions Comments at 16; *see also id*. at 4-5, 8-9 (further noting that "very real and required costs" are not reflected in Rolka Loube's cost figure); Hamilton Comments at 13-14 ("For both procedural and substantive reasons, the Commission may not rely on the IP CTS cost data provided by [Rolka Loube].").

[9] Hamilton Comments at 9, 13.

[10] Sorenson Comments at 2.

Put simply, the record is clear that the Commission should maintain the current MARS-based methodology to determine the IP CTS rate and thus should adopt the proposed MARS-based IP CTS rate of $1.9467 for the 2017-18 funding year.

Respectfully submitted,

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